

Public-Private Partnerships With Industry

Advance Planning Briefing to
Industry (APBI)
26-28 October 2005

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HQ U.S. Army Materiel Command

U.S. Army Materiel Command



ed to be faster, more agile, less bureaucratic - Need to fight this every c

What is a Public-Private Partnership?

-P3-



Army-owned and
operated facilities...
-Maintenance depots
-Manufacturing
arsenals
-Ammunition plants

❖ Contractual agreement between an Army owned and operated facility and one or more private industry or other entities to perform work or utilize the Army's facilities and equipment.

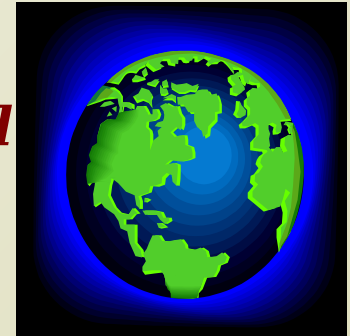
❖ Includes one or more of the following:

- ✓ Articles or services to industry.
- ✓ Industry leasing equipment or facilities to perform work for public or private sector.
- ✓ Work sharing arrangements.
- ✓ Teaming arrangements where Army facility and industry contract jointly .

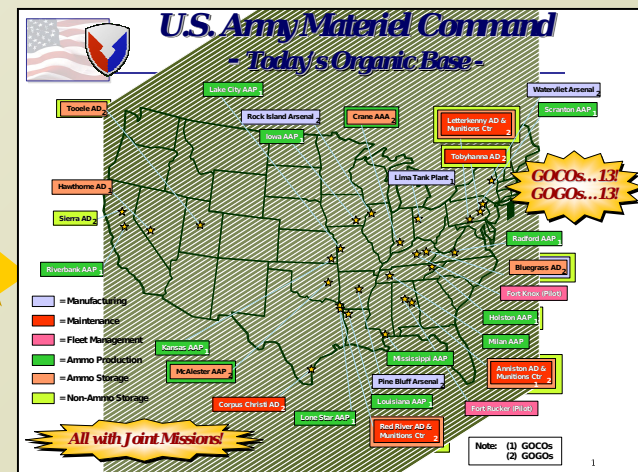
State of the World

- Transformation
- Global War on Terrorism
- Market & Defense Globalization
- Increased Joint Operations

Critical Global Industrial Base for the 21st Century



Organic Industrial Base Evolution



“Need to be faster, more agile, less bureaucratic - Need to fight this

Benefits to Industry

Benefits:

- ✓ Access to advance technology industrial production
- ✓ Access to new chemical processes for metal finishing
- ✓ Use of hard to receive hazardous waste permits.
- ✓ Minimize of process flow.
- ✓ Sign of long term use agreements.
- ✓ Avoid duplicate investment cost on short/long term
- ✓ Decrease in capital investment cost.

Statutory Authorities

General Statutory Authority

10 USC 2474: Designated Centers of Industrial and Technical Excellence (CITEs).

Participate in Public Competitions

10 USC 2208j

10 USC 2470

Section 8032 PL 108-

Lease or Use Army Property

10 USC 2667

10 USC 2474

Sale of Articles and Services to Persons Outside DOD

10 USC 2208(h)

10 USC 2539b

10 USC 4543

22 USC 2770

Other

❖ **Armament Retooling and Manufacturing Support (ARMS) Initiative**

10 USC 4551-4555

❖ **Arsenal Support Program Initiative (ASPI)**

**Pub Law 106-398
Def App Bill FY2003
(Expires 1 OCT 2005)**

❖ **Providing Government Property to Contractors**

FAR Subpart 45.3

AMC's Public-Private Partnership Goal and Objectives

Goal:

Improve the output and performance of AMC organic facilities through increased participation by the private sector via industrial partnerships or cooperative activities.

Objectives:

- ✓ Enhance support to the warfighter via stronger cooperative partnership relationships with industry.
- ✓ Leverage industry's best practices.
- ✓ Improve organic operations efficiencies.
- ✓ Reduce and offset cost of ownership of organic facilities.
- ✓ Leverage private investment in Army facilities.

HQ AMC's

Actions to Support Partnerships

❖ **Private Industry Awareness**

- ✓ Established a publicly viewed webpage (<http://www.amc.army.mil/partnering/>) to create awareness of partnership opportunities, to include: POC's, facility links, and legislation.
- ✓ Participate in Advance Planning Briefings to Industry
- ✓ Champion Partnering through Industry Forums

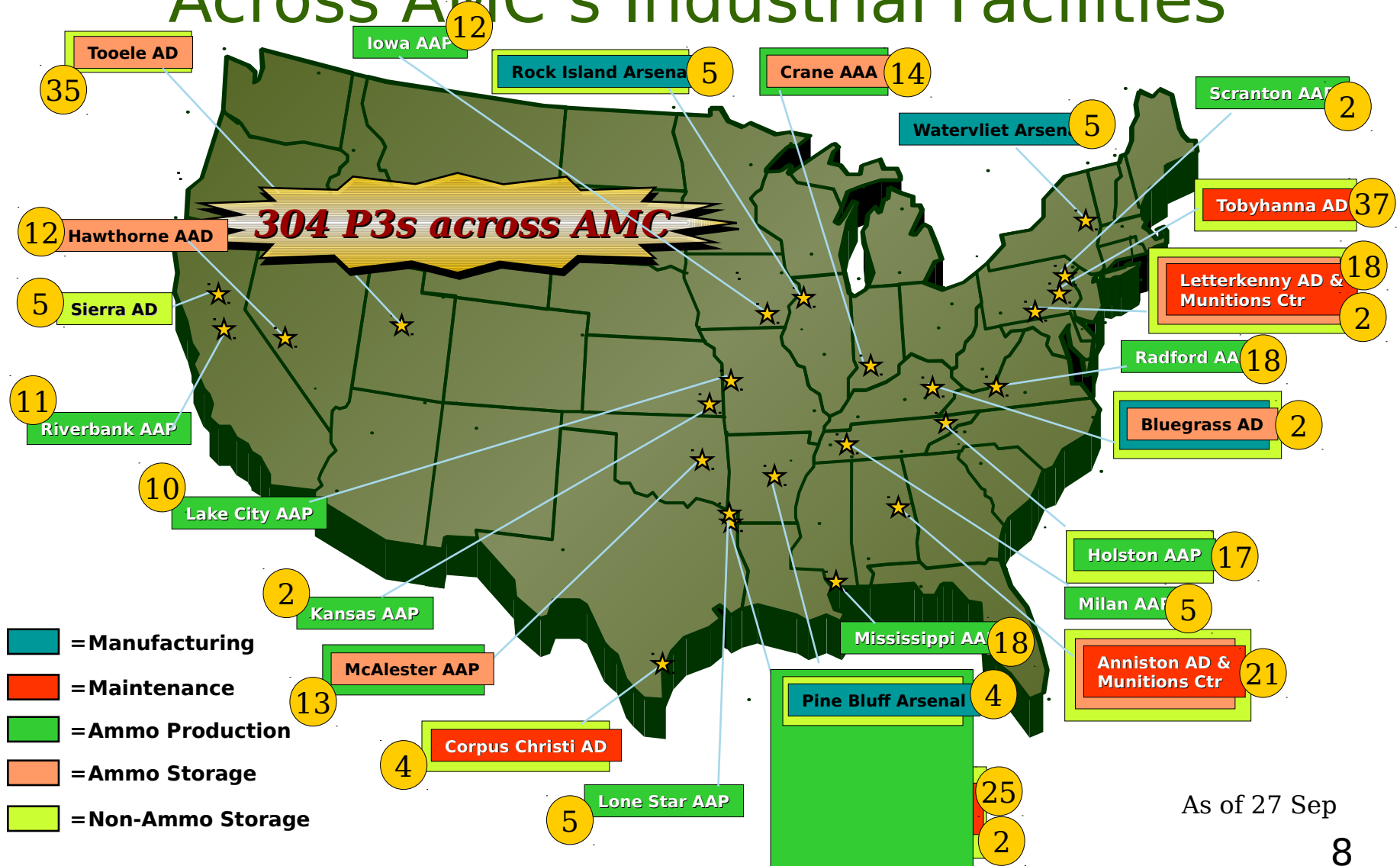


Leverage
Industry's
Strengths

❖ **AMC Facility Support**

- ✓ Update Army Knowledge On-Line Partnership Knowledge Center (<https://www.us.army.mil/suite/kc/881063>)
- ✓ Support Partnership Legislation
- ✓ Conduct on-site Partnership Tutorials at Army Materiel Command installations

Number of Public-Private Partnerships (P3s) Across AMC's Industrial Facilities



AMC Partnership Examples

❖ Maintenance Army Depots (ADs)

- ✓ Anniston AD
 - General Dynamics, BAE, Honeywell
- ✓ Corpus Christi AD
 - Sikorsky Aircraft Corp, GE Aircraft Engines, The Boeing Company
- ✓ Letterkenny AD
 - Lockheed Martin JAVELIN Joint Venture, Lechmotoren US, Edgewood Chemical Biological Center (ECBC)
- ✓ Red River AD
 - BAE, Marvin Land Systems, GS Engineering
- ✓ Tobyhanna AD
 - Northrop Grumman, Engineering & Professional Services, BAE

❖ Manufacturing Arsenals

- ✓ Pine Bluff Arsenal
 - Lindsay & Osborne, Battelle,
- ✓ Rock Island Arsenal Joint Manufacturing and Technology Center
 - Alliant Tech Systems, Grainger Tools, PB-NAMMO Demil LLC
- ✓ Watervliet Arsenal
 - Egyptian Co-Production, Hartchrom Inc, GD Land Systems

❖ Army Ammunition Plants (AAPs)

- ✓ Crane Army Ammunition Activity
 - SNC Canada, Gradient Technologies
- ✓ Holston AAP
 - Railcar Solutions, Transit Mix, Kingsport Railcar Services
- ✓ Iowa AAP
 - General Dynamics, L3, U.S. Army Corps of Engineers
- ✓ Kansas AAP
 - Dyno Nobel, Lindsey & Osborn Partnership
- ✓ Lake City AAP
 - Stealth Garments, Valentec, Fort Osage School
- ✓ Lone Star AAP
 - American Dehydrated Foods, TEC Liners, Area Z Recreation

❖ Ammunition Storage

- ✓ Anniston Munitions Center
 - AMTEC
- ✓ Blue Grass AD
 - Lockheed, Air Force
- ✓ Hawthorne AAD
 - Space & Missile, Marines Dockery
- ✓ Letterkenny Munitions Center
 - ADK, BAE Deep Digger
- ✓ Red River Munitions Center
 - RRAD, DDRT, TRMD
- ✓ Tooele AD
 - General Atomics, Technical Ordnance, Dyno Nobel

❖ Mobility Facility

- ✓ Sierra AD
 - FEMA, Tyonek, Highland Engineering

- ✓ McAlester AAP
 - Boeing, General Dynamics, National Forge
- ✓ Milan AAP
 - Ordnance Systems Inc, SNC TEC, American Ordnance
- ✓ Mississippi AAP
 - Boeing, Power Dynamics, Dept. of Energy
- ✓ Radford AAP
 - New River Energetics, Alliant Painting, U.S. Cellular
- ✓ Riverbank AAP
 - Cingular, Sierra Railroad, Medical Relief Foundation
- ✓ Somers AAD

Watervliet Arsenal

This reduces Army's cost of ownership, preserves critical mission skills, Permits modernization of facilities and infrastructure

- ❖ Arsenal Support Program Initiative (ASPI):
 - ✓ Site Manager Partnership Contract with ABTP for two years at no cost. ABTP markets unused and underutilized space and assets to commercial/Government customers, negotiates agreements and acts as facility manager.
 - ✓ Partnering Contract with Hartchrom Albany Inc
 - ✓ CRDA partnership to provide WVA space to two research and development companies
 - ✓ Oak-Mitsui Inc facility utilization and purchase of service by WVA workforce
 - ✓ Elmhurst Research Inc rental of office space.
 - ✓ CRADA arrangements with Benet Labs supports partnering for space and services on-site with two Research and Development Companies - Oak Mitsui and Elmhurst Research
 - ✓ Extreme Molding is leasing space for a start-up injection molding business with future expansion plans
- ❖ Direct Sales
 - ✓ General Dynamics - M256 cannon for the Korea K-1 Tank upgrade program,
 - ✓ General Dynamics - M68A1 Cannon for the Army Stryker vehicle Mobile Gun System
 - ✓ Wilburt & Company - Thin foil booms



Rock Island Arsenal (RIA)

Utilizing ASPI

Identified foundry, plating, heat treat and forge operations as potential areas for expansion of our ASPI program

- ❖ TDF Corporation provides computer support to various tenants at Rock Island Arsenal.
- ❖ Quad City Area Labor Management provides in-kind training for Rock Island Arsenal employees.
- ❖ General Dynamics Ordnance and Tactical Systems provides a wide variety of services to the Joint Munitions Command.
- ❖ Modular Furniture Inc tears down and sets up office systems on Rock Island Arsenal.
- ❖ 5 T Office Services provides computer repair services to Rock Island Arsenal and its tenants.
- ❖ FR Countermeasures provides a wide variety of services to the Joint Munitions Command.
- ❖ Work with the Quad City Development Group on an agreement that allows them to market the facility. This will reduce processing time, cost of multiple leases, and enhance marketing efforts.

Rock Island Arsenal (RIA)

Numerous Success Stories with Public-Private Partnering Agreements

- ❖ **United Defense Limited Partners...** Production of turrets and crew production baskets on the BMP-2 Opposing Forces Surrogate and for the upgrade of gun Mounts for the M109 Howitzer
- ❖ **CMRED...Center for Manufacturing Regional Economic Development** for the sale of various supplies and services not commercially available in support of area businesses.
- ❖ **Depot Systems...** For the sale of various supplies and services for both DOD and commercial application.
- ❖ **Alliant Techsystems...** For the sale of gun mounts and spare parts for the M1A1.
- ❖ **Focus Hope...** Mobile Parts Hospital development and production.
- ❖ **Log Value...** Government security qualification
- ❖ **Pendulum Management...** Government security qualification

-90 BPA's in place with local vendors to provide additional capacity, as of 19

Ground Systems Industrial Enterprise



TACOM/GSIE has significant successes with partnering. This is a Basic Ordering Agreement for ArmorWorks to send work to five Army facilities.

- **Partner: ArmorWorks, Tempe AZ, uses state-of-the-art ceramic and composite materials to construct high tech armor systems.**

- **Subcontract for metal manufacturing**
 - **Anniston Army Depot**
 - **Red River Army Depot**
 - **Sierra Army Depot**
 - **JMTC-Rock Island Arsenal**
 - **JMTC-Watervliet Arsenal**



Corpus Christi Army Depot

CCAD is leveraging their CITE designation to create depot workload and provide for private sector use of their facility.

**Apache
Chinook
Blackhawk
T700
T55**

❖ Utilize Memorandums of Agreement to develop a number of Original Equipment Manufacturing Partnering efforts.

❖ Partners include:

- ✓ Sikorsky Aircraft Corporation
- ✓ General Electric Aircraft Engines
- ✓ Honeywell International Corporation
- ✓ Boeing Company Aerospace Support



❖ These agreements represent three major weapon systems and two major engines that CCAD overhauls.

Letterkenny Army Depot

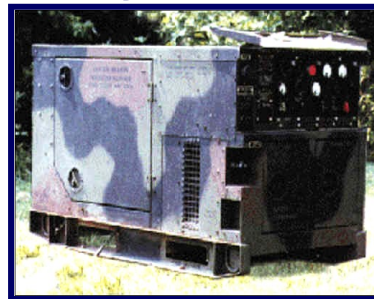
AM General

- Provides Powertrains and unique parts for HMMWV



Melton Industries

- Provides engines for Power Generation Systems



Penn Metal

Fabricators

- Metal components and Trailers for Mobile Kitchens



Military Systems Group

- Gun Mounts and Engineering for Special Operations



Edgewood

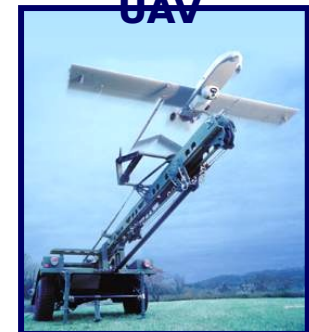
Chemical Biological

- Biological Centers



AAI

Shadow 200 UAV



McAlester Army Ammunition Plant



➤ Harpoon Warhead

▣ High Speed Anti Radiation Missile (HARM)

▣ Joint Standoff Weapon (JSOW)

▣ Extended Range Guided Munition (ERGM)

▣ Commercial Explosive Charges

▣ 500 lb. Bombs

▣ 1000 lb. Bombs

▣ 2000 lb. Bombs

▣ Demilitarization

▣ Pallets

Conclusion

- ❖ The U.S. Army Materiel Command is committed to strong and mutually beneficial working relationships with our Industry Partners.
- ❖ The Public-Private Partnership process has proven to be a dynamic and effective tool in forging such relationships.

Should be utilized wherever and whenever beneficial as a sound management practice for business in the present and future.

Life-Cycle Sustainment Support!

Win - Win For Industry & U.S. Army

**BOTTOM LINE...
Ensure Warfighting
Readiness!**

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